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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 002235

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SUBJECT: SCENESETTER FOR U/S TAUSCHER AND THE STRATEGIC

SECURITY DIALOGUE

REF: A. NEW DELHI 1833

1B. NEW DELHI 1960

Classified By: Deputy Chief of Mission Steven White. Reasons: 1.4 (B) and (D).

11. (C) Under Secretary Tauscher: Mission India warmly welcomes you to New Delhi for the launch of the Strategic Security Dialogue. The Indian Government is focused on using the Strategic Dialogue process launched during Secretary Clinton's July visit as a mechanism to explore ways to broaden and deepen our bilateral relationship; Prime Minister Singh's November 22-26 visit to Washington has energized these efforts. Perhaps nowhere in our relationship is there more opportunity -- or apprehension -- on the part of Indian officials than on nonproliferation and disarmament. Senior Indian officials have long sought just the sort of opportunity presented by your visit to engage the Obama Administration on nonproliferation and disarmament, and your counterparts look forward to discussions across the full scope of these issues.

Opportunities and Anxieties for Strategic Security Dialogue - - -

12. (C) The Indian Government wants definitively to move beyond the negative legacy of the nuclear issue in our bilateral relationship and to explore opportunities to work more closely with the United States on nonproliferation and disarmament. The political establishment views the successful completion of the Civil Nuclear Cooperation Initiative as a historic achievement and a potential turning point, which allows India to approach a new global nonproliferation agenda with a sense of confidence rather than defensiveness. Senior officials in the Indian Government have been calling for senior level dialogue on nonproliferation and disarmament with the new Administration since President Obama took office. Indian media and policy pundits welcomed President Obama's April 5 speech in Prague, particularly its emphasis on disarmament; they have a voracious appetite for further details. The Strategic

Security Dialogue is the first such opportunity to explore the potential for cooperation on the full scope of our nonproliferation and disarmament and to share our priorities.

13. (C) Indians are hopeful and apprehensive in equal measure. Decades of estrangement over India's nuclear program has left policy makers with an instinctive wariness about our intentions. India is keen to work with us and to be seen to be constructive, but not at the expense of its red lines, which it has forged and hardened through decades of principled exclusion. India will not sign the Nuclear Nonproliferation Treaty (NPT) as a non-nuclear weapons state, but it shares many of the goals of the global nonproliferation regime and brings many unique attributes to global nonproliferation efforts. Progress will not be easy or quick, but the opportunity is new and unprecedented, and their good intentions are genuine. We are likely to find a willing partner if we focus on shared interests and gradually expand our cooperative efforts to advance those interests rather than if we try to change India's long-standing and deeply held views head-on.

Domestic Politics and The Testing Debate

14. (C) We have a true partner in the current Indian government led by Prime Minister Manmohan Singh, but its capabilities are not without limits. The strong performance by the Congress Party and its United Progressive Alliance

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- (UPA) allies in India's national elections gave Prime Minister Singh's UPA coalition government a mandate to govern and -- freed from dependence on half-hearted allies on the Left -- to promote a closer relationship with the United States. The fallout over a joint statement from Singh's July 16 Sharm el-Sheikh meeting with Pakistani PM Gilani cut short the honeymoon period, providing an opportunity for Singh's otherwise fractured political opponents and dissidents within his own ruling coalition. This move won temporary political points for the opposition Bharatiya Janata Party (BJP), but that party's steady summer implosion facilitated the UPA government's rebound, resulting in the Congress Party's victory in the October 13 Haryana and Maharashtra state elections. The Sharm debacle reminded the Prime Minister of his political limits despite his clear mandate.
- $\P5.$ (C) The media controversy in August sparked by allegations of a former defense scientist that India's 1998 thermonuclear test was a failure has faded (reftels), but it underscored the high emotions that surround India's nuclear program. Senior Indian officials -- including National Security Advisor Narayanan -- were quick and categorical in defending India's "steadfast" commitment to its voluntary testing moratorium on the grounds that India possessed a credible thermonuclear deterrent without further testing. Most strategic pundits agreed that the alleged "fizzle" did not compromise India's nuclear deterrence strategy. This public spat between idle weapon designers and the political establishment highlighted the political obstacles any Indian government will face in giving up testing. Indians believe their nuclear weapons contribute to their security in a dangerous neighborhood (with two nuclear-armed neighbors) and to their status in the world (India aspires to a permanent seat on the UN Security Council and the P-5 are all nuclear weapons states). While for all practical purposes the Congress Party-led government chose to forego future testing by signing the U.S.-India Civil Nuclear Cooperation Agreement, it only managed to accomplish this by convincing Indian elites that doing so would not impinge upon their security or status. Any Indian government that pursues signing the Comprehensive Test Ban Treaty (CTBT) will have to address these same fundamental and overriding popular impulses.

16. (C) While there is a political consensus to maintain the testing moratorium, there is as yet no consensus to sign the CTBT, and building that consensus will take time and considerable effort and will be a decision made at the political level. You should not expect your interlocutors to be particularly forward-leaning on this point, but they should be in a listening mode about U.S. intentions. Short of a time-bound path toward total global disarmament in the near term, an Indian government could only make the case to sign the CTBT if doing so did not adversely affect India's security -- e.g. if Pakistan and China also signed and ratified -- or if its status were bolstered -- e.g. in partial exchange for a permanent seat on the UN Security Council. Furthermore, there is no conceivable circumstance under which India would sign and ratify the CTBT before the United States ratifies. A premature effort to push India would likely be counterproductive to both CTBT objectives and our interests in a strong bilateral relationship. India will only respond to our actions, not our exhortations. Focusing on ratifying ourselves, acknowledging and addressing India's regional security concerns, and making progress toward disarmament in other fora (e.g. START, FMCT, cooperation on nuclear security) will create momentum that will increasingly make India's principled aloofness difficult to sustain.

Opportunities for Cooperation: NPT, FMCT, Nuclear Security, Port/Border Security

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- 17. (C) NPT: India continues to regard the NPT as "discriminatory," but it clearly has a stake in the global nonproliferation regime that rests upon it. It may be worth exploring whether India would consider sending representatives to the 2010 NPT Review Conference (RevCon) as observers. Indians continue to chaff at calls for "universalization" of the NPT, but local media favorably reported Secretary Clinton's remarks about collaborating in adapting the NPT for the twenty-first century in her November remarks at the U.S. Institute of Peace.
- 18. (C) FMCT: Indian officials would like to coordinate closely on efforts to negotiate a multilateral, universally applicable, and effectively verifiable Fissile Material Cut-off Treaty (FMCT), and welcomed the Administration's position on verification. Regional security considerations also figure prominently in India's position on the FMCT, knowing that its support for the program of work in the Conference on Disarmament puts Pakistan in an awkward position. India may suspect that a FMCT may be years in the making, but it has nevertheless taken a forward-leaning position that should be encouraged.
- 19. (C) Nuclear Security: Until recently, Indian officials were only interested in discussing nuclear security in the context of the A.Q. Khan network. They are gradually waking up to the general threat posed by unsecured nuclear materials, but remain reluctant to discuss their own security practices. They are increasingly concerned about the possibility of dangerous materials falling into the hands of terrorist groups. They are also interested in discussing biosecurity, aware that their regulatory practices are insufficient for their burgeoning biotech industry. They are interested in learning more about our ideas for the Nuclear Security Summit, but it is a new concept for them.
- 110. (C) Related Programs: Indian officials seem generally supportive of programs like EXBS, SLD/Megaports and SFI, but working-level officials have been reluctant to advance these efforts. A clear political signal may help create momentum. India signed onto the Global Initiative to Combat Nuclear Terrorism (GICNT) over a year ago, but remains only minimally active. The know they need to engage more, and may be willing to commit to doing so.

Avoiding Barriers to Cooperation: PSI and the Montreal Convention

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111. (C) While India supports the Proliferation Security Initiative (PSI) in practice, officials have made clear they cannot sign onto its principles. PSI draws its legal authority from the 2005 protocol to the Convention on the Suppression of Unlawful Acts (SUAS Convention), which refers to "comprehensive safeguards" rather than "IAEA Safeguards," as India had proposed. India's opposition to the SUAS protocol has not and will not stop India from supporting the PSI in principle, interdicting shipments when called for, or engaging in activities, but it precludes India's full participation. Similarly, the Indian delegation will likely raise the recent negotiations at the Montreal Convention of the International Civil Aviation Organization (ICAO) as a similar example of the unwillingness of the United States to take account of India's unique circumstances in order to work with India on shared goals, in this case, on preventing terrorism involving civil aviation due to reliance on similar NPT-derived language that prevents India's support.

Civ Nuke Update

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112. (C) In addition to new opportunities to advance cooperation and avoiding pitfalls, fully implementing the U.S.-India Civil Nuclear Cooperation Agreement will create the trust necessary to press forward on new avenues of cooperation. The Indian government is on track to complete or make substantial progress on its commitments ahead of the Prime Minister's visit to Washington, though some important hurdles remain. The latest positive step is India's announcement, immediately following the visit of Under Secretary Burns, of two reactor park sites for U.S. firms in Gujarat and Andhra Pradesh. India also submitted its declaration of safeguarded facilities to the IAEA. The second session of reprocessing consultations took place on October 8-9 in Vienna, and a third session is scheduled for November 5-6; if sufficient progress is made, an initialed text could be announced during the Singh visit. Shyam Saran has told the Ambassador that India would respond to our request for Part 810 license assurances prior to Singh's visit, a top priority of U.S. industry that has been outstanding since April. The government plans to introduce liability legislation when Parliament reconvenes in late November, leaving insufficient time for its passage prior to the PM's visit, but a welcome step nevertheless. businesses are now running significantly behind their competitors from Russia and France as they develop relationships with the most promising Indian partners.

Your Meetings

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113. (C) Your chief interlocutor is the new Foreign Secretary Nirupama Rao, a experienced professional diplomat with extensive expertise on China, but little technical background on nonproliferation (unlike her predecessor, Shivshankar Menon). Rao is a staunch supporter of the U.S.-India relationship, but she will necessarily depend heavily on the hidebound disarmament bureaucracy in her ministry -- steeped in India's non-aligned heritage -- on any technical issues. She serves a foreign minister widely regarded as a place holder, leaving the Prime Minister's Office with a direct oversight of key aspects of foreign policy, particularly the U.S. relationship and nonproliferation. In addition to your participation in the Strategic Security Dialogue, we have requested official meetings with Prime Minister Singh's two most influential foreign policy advisors, National Security Advisor M.K. Narayanan and the Prime Minister's Special Envoy for Climate Change and Nuclear Issues Shyam Saran. The Indian Government has agreed to expert-level talks during the visit on the proposal to establish a U.S.-India Nuclear Security Center of Excellence that could be announced at the Nuclear Security Summit next year. ROEMER